

MAY 02 1991

# United States Bankruptcy Court

For the NORTHERN District of IOWA  
IN RE: MICHAEL A. SPAHN,  
Debtor.

Chapter 7

BARBARA A. EVERLY, CLERK

Case No. X90-01607S

MORNINGSIDE COLLEGE,  
v.

Plaintiff  
} Plaintiff

MICHAEL A. SPAHN,

Defendant  
} Defendant

Adversary Proceeding No. X90-0204S

## JUDGMENT

This proceeding having come on for trial or hearing before the court, the Honorable WILLIAM L. EDMONDS, United States Bankruptcy Judge, presiding, and the issues having been duly tried or heard and a decision having been rendered.

[OR]

The issues of this proceeding having been duly considered by the Honorable WILLIAM L. EDMONDS, United States Bankruptcy Judge, and a decision having been reached without trial or hearing,

### IT IS ORDERED AND ADJUDGED:

that Morningside College shall recover from Michael A. Spahn the sum of \$500.00 plus interest from October 1, 1990 to date of judgment at the legal rate. This judgment is excepted from discharge.

Vol. III  
Page 17



cc: Arlene Curry  
William Miller  
U. S. Trustee  
on 5/2/91,

[Seal of the U.S. Bankruptcy Court]

Date of issuance: 5-2-91

BARBARA A. EVERLY

Clerk of Bankruptcy Court

By: Barbara A. Everly  
Deputy Clerk

CAR:jc  
SPAN-ORDR  
80-15576NT  
3-19-91

U.S. BANKRUPTCY COURT S.C.  
NORTHERN DISTRICT OF IOWA  
FILED

MAY 02 1991

BARBARA A. EVERLY, CLERK

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF IOWA

IN RE: ) Chapter 7  
MICHAEL (A.) SPAHN, ) CASE NO. X-90-01607-S  
Debtor. )  
\_\_\_\_\_  
MORNINGSIDE COLLEGE, )  
Plaintiff, ) Adversary No. X90-0204S  
vs. )  
MICHAEL (A.) SPAHN, ) ORDER ON STIPULATION  
Defendant. )

AND NOW, on this 2nd day of May, 1991 this matter comes before the Court and the Court finds:

1. That a Stipulation was entered into herein. A copy of the Stipulation is marked Exhibit A, attached hereto and incorporated herein by reference.

2. The Stipulation looks appropriate.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Stipulation referred to as Exhibit A be and is hereby approved, and judgment be and is hereby entered against the Defendant Michael A. Spahn, in favor or Morningside College, in the sum of \$500.00, plus interest that will accrue at 5% from October 1, 1990, plus interest on the judgment at the legal rate.

WJLm  
\_\_\_\_\_  
Judge

I certify that on 5/2/91 I mailed by U. S. mail Order on Stipulation to Arlene Curry, William Miller and the U. S. Trustee. Jm

CAR:jc  
SPAN-STIP  
80-15576NT  
2-19-91

UNITED STATES BANKRUPTCY COURT  
For The Northern District of Iowa

IN RE:	)	Chapter 7
MICHAEL (A.) SPAHN,	)	CASE NO. X-90-01607-S
Debtor.	)	
<hr/>		
MORNINGSIDE COLLEGE,	)	
Plaintiff,	)	Adversary No. X90-0204S
vs.	)	
MICHAEL (A.) SPAHN,	)	STIPULATION
Defendant.	)	

---

Morningside College and Michael A. Spahn stipulate as follows:

1. Both parties agree that a promissory note marked Exhibit A, attached hereto and incorporated herein by reference was executed by Michael A. Spahn in favor of Morningside College.
2. The Defendant agrees that pursuant to Bankruptcy Code Section 11 U.S.C. Section 523(a)(8), that said obligation is due and owing to the Plaintiff and is a nondischargeable debt.
3. Defendant consents to the entry of an order approving the Stipulation.

MORNINGSIDE COLLEGE

By: Cecil E. Larson, Treasurer

Exhibit A

MICHAEL A. SPAHN

ORDER

AND NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1991,  
this matter comes before the Court and the Court finds:

1. That the Stipulation is appropriate and should be approved.

IT IS THEREFORE THE ORDER OF THE COURT that the Stipulation referred to herein be and is hereby approved.

Judge

MURKIN SIDE COLLEGE - PROFESSOR'S NOTES - NEW BORROWER  
PEOPLES LOAN PROGRAM (Formerly National Street Student Loan)

1. Michael A. Spahn, promises to pay to NORTHWEST COLLEGE (hereinafter called the Lending Institution) located at STOCK CITY, YORK, the sum of the amounts that are advanced to me and entered in the Schedule of Advances set forth below. I promise to pay all attorney's fees and other reasonable collection costs and charges necessary for the collection of any amount not paid when due.

SCHEDULE OF ADVANCES  
The following amounts were advanced to us under this loan agreement on the dates indicated:

	AMOUNT	DATE	SIGNATURE OF BORROWER
1.	500.00	4-18-88	X Michael Alan Spahan
2.			
3.			
4.			
5.			
6.			
7.			
8.			

I further understand and agree that

L. GOREAS

**(1) Applicable Law.** All amounts advanced under this note are drawn from a fund created under Part II of Title IV of the Higher Education Act of 1965, as amended, hereinafter called the Act, and are subject to the Act and the Federal Regulations issued under the Act. The terms of this note shall be interpreted in accordance with the Act and Federal Regulations, copies of which are to be kept by the Lending Institution. **(2) Procedures for Receiving Deferral or Cancellation.** I understand that in order to receive a deferral or cancellation, I must request the deferral or cancellation in writing from the Lending Institution, and must submit to the Lending Institution any documentation required by the Lending Institution to prove that I qualify for the deferral or cancellation. I further understand that if I am eligible for deferral or cancellation under Articles VI through XI, I am responsible for submitting the appropriate requests on time. I further understand that I may lose all deferral and cancellation benefits if I fail to file or process my note.

Interest shall accrue from the beginning of the repayment period and shall be at the ANNUAL PERCENTAGE RATE OF FIVE PERCENT

**www.scholastic.com**

(1) I promise to repay the principal and the interest which accrues on it to the Lending Institution over a period beginning 9 months after the date I cease to be at least a half-time student at an institution of higher education, or at a comparable institution outside the United States approved for this purpose by the United States Secretary of Education (hereinafter called the Secretary), and ending, unless paragraph III(3), III(5), III(7), or VII(1) applies, 10 years later. (2) Upon my written request, the repayment period may start on a date earlier than the one indicated in paragraph III(1). (3)(A) I promise to repay the principal and interest over the course of the repayment period in equal monthly, bi-monthly or quarterly installments as determined by the institution. I understand that if my monthly payment for all the loans made to me by the Lending Institution is not a multiple of \$5, the Lending Institution may round that payment to the next highest dollar amount that is a multiple of \$5. (3) Notwithstanding paragraph III(1)(A), upon my written request, repayment may be made in graduated installments in accordance with a schedule approved by the Secretary. (4) The Lending Institution shall attach the schedules of repayments and the schedule will become part of the note. (4) Notwithstanding paragraph III(1), if I qualify as a low-income individual during the repayment period, the Lending Institution may, upon my written request, extend the repayment period for up to an additional 10 years, or adjust my repayment schedule to reflect my income, or both. (5)(A) If the monthly rate that would be established under paragraph III(1), or the total monthly repayment rate of principal and interest on all my Perkins Loans, including this loan, is less than \$30 per month, I shall repay the principal and interest on this loan at the rate of \$30 per month (which includes both principal and interest). (5) If I have received Perkins Loans from other institutions and the total monthly repayment rate on those loans is less than \$30, the \$30 monthly rate established under subparagraph III(5)(A) is the rate I pay on all my outstanding Perkins Loans and is not in addition to the amount I pay on those other loans. The amount of my monthly repayment rate attributable to this loan is the amount which represents the difference between \$30 and the monthly rates I must pay on my other Perkins Loans. (6) The Lending Institution may permit me to pay less than the rate of \$30 per month for a period of not more than one year, where necessary to avoid hardship to me, unless that action would extend the repayment period as paragraph III(1)... (7) The Lending Institution may, upon my written request, reduce my scheduled repayments or extend the repayment period indicated in paragraph III(1), if, in its opinion, extraordinary circumstances such as prolonged illness or unemployment, prevent me from making the scheduled repayments.

(1) I say, at my option and without penalty, prepay all or any part of the principal, plus the accrued interest thereon, at any time. (2) Amounts I repay in the academic year for which the loan was made will be used to reduce the amount of the loan and will not be considered a prepayment. (3) If I repay more than the amount due for one installment, the excess will be used to reduce subsequent installments.

卷之三

(1) The Lending Institution may, at its option, declare my loan to be in default and may demand immediate payment of the entire unpaid balance of the loan, including principal, interest, and late charges if — (A) I do not make a scheduled payment when it is due, and (B) I do not submit to the Lending Institution on or before the date on which payment is due, documentation that I qualify for a deferral or cancellation described in articles VI, VII, VIII, II, I, or II of this agreement. (2) I understand that if I default on my loan repayment, the Lending Institution may disclose that I have defaulted, along with other relevant information, to credit bureau organizations. (3) Further, I understand that if I default on my loan repayment and the loan is sent to the Secretary for collection, the Secretary may disclose that I have defaulted, along with other relevant information, to credit bureau organizations. (4) I understand that if the Lending Institution accelerates the loan under paragraph V(l), I will lose my cancellation and deferral benefits for service performed after the date the Lending Institution accelerated the loan. (5) I understand that failure to pay this obligation under the terms agreed upon will prevent my obtaining additional student financial aid authorized under Title IV of the Higher Education Act of 1965, as amended, until I have made arrangements which are satisfactory to the Lending Institution or the Secretary regarding the repayment of the loan.

(1) Interest will not accrue, and cancellation of principal need not be paid — (A) While I am enrolled and in attendance as at least a half-time student at an institution of higher education or at a comparable institution outside the United States approved for this purpose by the Secretary; (B) For a period of three (3) years during which I am — (1) On full-time active duty as a member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, or Coast Guard); (2) National Oceanic and Atmospheric Administration Corps; (3) U.S. Public Health Service Commissioned Corps.

for professional occupations required to begin my professional practice or service, according to an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital or a health care facility that offers postgraduate training; (2) For a period not to exceed of one (1) year during which I am a mother of preschool age children, who has entered or completed the work force, on below paid at a rate which does not exceed \$1.00 above the minimum hourly wage established by Section 6 of the Fair Labor Standards Act of 1938; (3) For a period not to exceed of six months if — (i) I am pregnant, caring for my newborn baby, or caring for a child immediately after he or she was placed with me through adoption and I am not attending an eligible institution of higher education or being gainfully employed during the six month period; and (ii) I was enrolled as at least a half-time student at an eligible institution within six months of the first day of that period; and (4) During a six (6) month period following the expiration of any deferral provided in paragraphs VI(1)(A) through VI(1)(E). (2) The Lending Institution may, upon my written request, defer my scheduled repayments if it determines that the deferral is necessary to avoid a financial hardship for me. Interest, however, will continue to accrue.

#### VII. CANCELLATION FOR TEACHING

(1) I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon cancelled if I undertake service — (A) As a full-time teacher for a complete academic year in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year of service for funds under Chapter I of the Education Consolidation and Improvement Act of 1981, as amended, and which has been designated by the Secretary (after consultation with each State Department of Education) in accordance with the provisions of section 405(a)(2) of the act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools is published annually by the Secretary. (B) As a full-time teacher of handicapped children (including mentally retarded, hard of hearing, deaf, speech and language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, children with specific learning disabilities, or other health-impaired children, who by reason thereof require special education and related services) in a public or other nonprofit elementary or secondary school system. (2) This loan will be cancelled at the following rates: (A) 25 percent of the total principal amount of the loan plus interest on the unpaid balance will be cancelled for the first and second complete academic years of that teaching service, (B) 20 percent of the total principal amount plus interest on the unpaid balance for the third and fourth complete academic years of that teaching service, and (C) 20 percent of the total principal amount plus interest on the unpaid balance for the fifth complete academic year of that teaching service.

#### VIII. HEAD START CANCELLATION

(1) I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon cancelled if I undertake service as a full-time staff member in a Head Start program if — (A) That Head Start program is operated for a period which is comparable to a full school year in the locality, and (B) My salary is not more than the salary of a comparable employee of the local educational agency. (2) This loan will be cancelled at the rate of 15 percent of the total principal amount plus interest on the unpaid balance for each complete school year or the equivalent of service in a Head Start program. (3) Head Start is a preschool program carried out under the Head Start Act. (Subchapter B, Chapter 6 of Title VI of Pub. L. No. 97-35, the Budget Reconciliation Act of 1981; formerly authorized under section 222(a)(1) of the Economic Opportunity Act of 1964).

#### IX. MILITARY CANCELLATION

(1) I am entitled to have up to 50 percent of the principal amount of this loan plus the interest thereon cancelled if I serve as a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code. (2) This loan will be cancelled at the rate of 12 1/2 percent of the total principal amount plus interest on the unpaid balance for each complete year of such service.

#### X. PEACE CORPS CANCELLATION

(1) I am entitled to have up to 70 percent of the amount of this loan plus the interest thereon cancelled if I undertake service — (A) As a volunteer under the Peace Corps Act or (B) As a volunteer under the Domestic Volunteer Services Act of 1973. (2) This loan will be cancelled at the following rates: (A) 25 percent of the total principal amount of the loan plus interest on the unpaid balance will be cancelled for the first and second twelve-month period of volunteer service; (B) 20 percent of the total principal amount of the loan plus interest on the unpaid balance will be cancelled for the third and fourth twelve-month period of volunteer service.

#### XI. DEATH AND DISABILITY CANCELLATION

(1) In the event of my death, the total amount outstanding on this loan will be cancelled. (2) If I become totally and permanently disabled after I receive this loan, the Lending Institution will cancel the total amount of this loan.

#### XII. CHANGE IN NAME, ADDRESS, TELEPHONE NUMBER AND SOCIAL SECURITY NUMBER

I am responsible, and any endorser is responsible, for informing the Lending Institution of any change or changes in name, address, telephone number or social security number.

#### XIII. LATE CHARGE

(1) The Lending Institution may impose a late charge if — (A) I do not make a scheduled payment when it is due, and (B) I do not submit to the Lending Institution on or before the date on which payment is due, documentation that I qualify for a deferral or cancellation described in articles VI, VII, VIII, IX, X, and XI of this agreement. (2) No charge may exceed twenty (20) percent of my monthly, bimonthly or quarterly payment. (3)(A) The Lending Institution may — (i) Add the late charge to the principal the day after the scheduled repayment is due; or (ii) Include it with the next scheduled repayment after I have received notice of the late charge. (B) If the Lending Institution elects to add the assessed charge to the outstanding principal of the loan, it must do so no later than the due date of the next installment.

#### XIV. ASSIGNMENT

(1) This note may be assigned by the Lending Institution to — (A) The United States; (B) Another institution upon my transfer to that institution if that institution is participating in this program; or (C) Another institution approved by the Secretary. (2) The provisions of this note that relate to the Lending Institution shall, where appropriate, relate to an assignee.

#### XV. PRIOR LOANS

I hereby certify that I have listed below all of the Federal Loans I have obtained at other institutions. (If no prior loans have been received, state "None.")

#### SCHEDULE OF PERKINS LOANS AT OTHER INSTITUTIONS

AMOUNT	DATE	NAME OF INSTITUTION
1. <u>No M.F.</u>		
2.		

NOTICE TO BORROWER: DO NOT SIGN THIS NOTE BEFORE YOU READ IT. THE LENDING INSTITUTION MUST SUPPLY TO YOU AND ANY ENDORSER A COPY OF THIS NOTE.

X SIGNATURE Michele Sperber Date 4-14-88 1988  
Permanent Address (Street or Box Number, City, State, and Zip Code) 321½ Orleans Ave.

X Social Security Number (borrower must provide) 1184-96-2271

The borrower and Lending Institution shall execute this note without security and without endorsement unless the borrower is a minor and this note would not, under the law of the State in which the Lending Institution is located, create a binding obligation. If the borrower is a minor and this note contains a signature, he legally binding. The Lending Institution requires a co-signer to this note.